

that loan the borrower had to take back a big piece of property?"

The witness admitted that several parcels were involved in the transaction, whereupon Mr. Untermeyer read a list of a score or more properties in widely separated sections of the city which the witness, Mr. Levy, "thought" incident to obtaining the loan. Mr. Untermeyer grew sarcastic.

"You mean he went out looking for a loan and came home with this property?" The witness would not admit it was anything but a legitimate sale. He declined to subscribe to Mr. Untermeyer's characterization of the property as a "job lot," although he admitted some of it was of "low" and "poor" value.

Levy, or the Blocton Realty Company, it was shown, took these various properties at a lump valuation of \$650,000, paying \$100,000 cash out of the net proceeds of the mortgage loan and leaving the balance in a new mortgage for \$550,000. In addition, Levy's company paid a total of \$25,000 in brokerage fees to Hughes & Hammond, who also received \$7,000 from the Mutual Life as commission on the sale of the property passed on the Blocton Realty Company.

Mr. Untermeyer wanted to know if it was not probable that the Mutual Life Insurance Company might have to foreclose on the mortgage for \$550,000, not the property back and trade it again.

Mr. Hughes said he had no information as to whether the interest or installments on principal were being paid.

Forced to Buy Other Property.

Replying to questions Mr. Hughes admitted that his firm did considerable business of a similar nature with the Prudential Life Insurance Company. One of these transactions was in behalf of 108 West 55th Street, Inc. That corporation desired to raise \$550,000 on the property on the southwest corner of Sixth Avenue and Fifty-ninth Street. Hughes & Hammond sold the mortgage property at 88 Hudson Street, Hoboken, for \$125,000, paying \$15,000 cash and leaving the balance of \$110,000 on mortgage with annual reductions of principal.

Similarly when the corporation controlling the property at 906 West End Avenue sought to raise \$500,000 on it a condition imposed by the Prudential was the purchase of property at Market and Halcyon streets, Newark, for \$228,000, paying \$15,000 cash, leaving a balance of \$213,000 on mortgage, payable for amortization in semi-annual payments.

Still another case was that of the Jattison Construction Corporation, which sought a loan of \$650,000 from the Prudential upon the property at 13-19 West Thirty-seventh Street. The property is a sixteen story store and loft building appraised at \$1,100,000, but in order to negotiate the loan the construction company had to agree to purchase the fifty year old frame building at Long Branch, N. J., known as the Takamase Hotel, for \$115,000, of which \$20,000 was paid in cash and deducted from the proceeds of the loan.

Similar cases were listed in the committee record to the extent of two or three dozen. Mr. Untermeyer explained that it would be impossible to investigate them all, but that the committee would take them up individually. Besides the two life insurance companies mentioned the mortgages that operated in a similar way included various trust companies, the New York Central Union, and savings banks in Manhattan and Brooklyn.

The brokerage charges, which in some instances went as high as two per cent. on first mortgages on high class properties, together with the other charges such as disbursement fees, mortgage taxes, commissions, etc., frequently brought the interest rate on loans made for purposes of building construction to anywhere from 10 to 20 per cent.

George M. Hubbard of the firm of William A. White & Sons revealed still another feature, on the octopus that seems to have the building industry in its grip. That is the practice of buying up second or third mortgages at a large discount from their face value resulting in tremendous profits for the holders.

\$15,000 on a \$25,000 Mortgage. Hubbard said he negotiated a loan of \$15,000 on a third mortgage for \$25,000 on garage properties at 352 West Twenty-first Street and 351 West Forty-second Street. The mortgage had one year only to run, and in addition to the discount the mortgage firm received \$650 in fees and commissions on the transaction. Hubbard admitted to Mr. Untermeyer that the senior firm has of its firm had not been aware of this particular transaction.

The most sensational testimony of this nature was given through Abel King, 21 Union Square, a private dealer in second and third mortgages. King's specialty appeared to have been the collection of bonuses for investing in second and third class mortgages, and according to the committee's accountants these bonuses have aggregated \$337,000 on transactions involving loans of \$1,700,000 in the last three or four years. In this way he got a 20 per cent. rake off at the beginning, and according to his own testimony, he has not had to foreclose a single one of the mortgages he sold his partner, Isaac Schom, took up.

Besides the bonus King shaved his paper rather closely. Here is an example. On one mortgage for \$30,000 that had three years to run, King advanced \$14,220, thus distributing a bonus of \$2,780 over three years. The mortgage paid 6 per cent., and Mr. Untermeyer tried to show that when it was satisfied King would have actually earned about 15 per cent. on his investment. King couldn't see it.

In another transaction King advanced \$14,000 on a mortgage for \$19,000 that had three and three-quarter years to run and which provided for quarterly installments on the principal of \$1,250. In certain of these cases when the original investment had been paid off and the borrower was paying principal and interest on money he never received, the actual rate of revenue to the holder ran as high as 125 per cent.

Mr. Untermeyer asked King if he thought men such as he stimulated and helped the building situation. The witness thought they did. He ventured the theory that unless he had been there to lend the money on his terms the applicants would never have received it. King signed a waiver of immunity and several times remarked to Mr. Untermeyer that he was anxious to leave a correct impression with the committee. Mr. Untermeyer assured him that he had.

STADTMULLER HEARD AT TRIAL OF MORAN

Testifies of Brindell Agent's Part in Coercion.

Peter Stadtmuller, Robert P. Brindell's chief of staff, who was convicted last week of coercion and extortion in connection with the building trades exposures, was a witness yesterday at the trial of Joseph Moran, a business agent in the Brindell organization, charged with him under a joint indictment of extorting \$1,000 from Max Minneapolis, president of the Interstate Wrecking Company. That Stadtmuller might testify, Justice McAvoy postponed his sentence until today.

U.S. SENATE MOVES IN CLOTHING STRIKE

Committee to Call Officials of Amalgamated and New York Employers.

SOVIET PLANS BARED

Preliminary Hearing Expected to Lead to Nationwide Investigation.

HELP IN 'HERALD' EXPOSE

Association's Attorney Reveals Alleged Plot of Workers to Boost Prices.

Special Despatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., June 2.

A preliminary hearing was ordered today by the Senate Committee on Education and Labor on the clothing strike in New York. This action presages a nationwide investigation. Withholding final action on the resolution of inquiry the committee agreed to call before it Sidney Hillman, Joseph Schlossberg, Abram Shipplacoff, Peter Monaghan and Jacob Potofsky, officers of the Amalgamated Clothing Workers of America, and two sets of employers in the industry, one set which has agreed to the terms of the amalgamated and another set which was refused.

Those who signed include Schwartz & Jaffee, Eighteenth Street and Broadway, and J. Friedman & Co., 708 Broadway, while among those refusing to sign the amalgamated terms are Freehauf & Co., Heidelberg Wolff, Berger, Rabinowitz & Co., Rosens, Feet & Co. and Cohn, Goldman & Co.

The date of the preliminary hearing has not been fixed, but it is expected to be held early next week. The arrangement to hear these witnesses followed statements made by William M. Bandler, president of the New York Clothing Trades Association, and by Archibald E. Stevenson, their counsel, who also was identified with the Lusk investigation.

These witnesses, who appeared in executive session, told of a scheme of the amalgamated workers to "sovietize" the entire clothing industry, showed that its ramifications are nationwide, that New York is its base of operations, that graft is notoriously being practiced by walking delegates and shop chairmen of the amalgamated, and that the cost of clothing is enormously increased through deliberate methods of underproduction used by the workers.

In a statement to THE NEW YORK HERALD Mr. Bandler said he thought the investigation independently made by THE NEW YORK HERALD was of the greatest value to the public. He cited a letter in his possession from a well known clothier, commanding the articles dealing with the New York situation.

"I am not advocating the investigation merely in the interest of the manufacturers," Mr. Bandler said. "It should be made by Congress for the benefit of the public and to expose the whole situation."

AGREEMENT UNSIGNED BY CLOTHING STRIKERS

Proposed Senate Inquiry Said to Deter Union.

Though it was said unofficially that the agreement between the Amalgamated Clothing Workers' Union and the Clothing Manufacturers' Association to end the six months' strike was actually "in effect" yesterday, the document setting forth the terms of the settlement was not signed. There was no explanation forthcoming for this except that "a number of details" still remained to be thrashed out. It is expected that some of the clothing manufacturers will start work today on the basis of the agreement, so far as it concerns a reduction of wages by 15 per cent. They will also expect the union to live up to the

promised increase of output by the workers of 15 per cent.

It was pointed out last night that when the agreement that expired last August was drawn and approved in August, 1919, the union officials at the last moment declined to sign the written form and the manufacturers were obliged to operate without a signed agreement. This was one of the things objected to by the manufacturers, who have declined to enter into the present negotiations with the union and who are united under the name of the Clothing Trade Association. Representatives of this association returned from Washington last night confident that the Senate Committee on Education and Labor would undertake an inquiry into the clothing industry and into the charge that the Amalgamated is really a Communist organization.

News that the Senate Committee would hold a preliminary inquiry next week at which representatives of the amalgamated and of the clothing manufacturers would be called to testify reached the amalgamated offices yesterday afternoon. It was said that this information was the real reason for the delay in signing the proposed agreement with the manufacturers, who are willing to make a settlement. The terms of the proposed agreement will be examined by the Senate Committee, it is said, and for that reason it was deemed inadvisable at this time to complete formally the agreement by signatures. But none of the officials of the union or of the manufacturers' association would say anything on this subject or offer any explanation.

21 PER CENT. WAGE CUT OFFERED TO PAPER MEN

Strikers Prepare Reply to Arbitration Proposal.

ALBANY, June 2.—Drafting a reply to the arbitration proposal of ten paper manufacturing companies occupied the forenoon session of the conference here today of the representatives of the 40,000 striking paper makers.

The International Paper Company in a statement yesterday to its striking employees offered to return them without prejudice to their former positions, providing they accepted wage reductions of approximately 21 per cent.

The wage scale offered by the company was the same that was in effect from May 1, 1919, to May 1, 1920, with an eight hour day. The workers were originally asked by the company to accept 30 per cent. wage cut and a nine hour day. The proposed agreement also recognized the right of employees to hold membership in trade unions and provided for arbitration of grievances.

PHOTO-ENGRAVERS MEET PUBLISHERS TO-DAY

Conference to Consider Proposals to End Strike.

A committee of three representatives of the Photo-Engravers Union, Local No. 1, which went on strike Wednesday morning in every newspaper plant in the city, will confer to-day with a committee of the newspaper publishers and owners. The union, meeting last night in Washington Irving High School, designated Matthew Wolf, the international president; E. J. Volz, the local president, and a third member of the union whom Wolf and Volz will select, as their committee.

The publishers yesterday informed the representatives of the union that they would agree to negotiate with a committee of the men if one was appointed with full power to act. The men want an increase of \$8 a week in wages, which demand the publishers offered to arbitrate. Instead they walked out when their year's agreement expired.

ELIZABETH PLUMBERS REDUCE.

Agree to Charge \$1 a Day Less to Stimulate Building.

A desire to stimulate building in Elizabeth and Union counties, New Jersey, led yesterday to the acceptance of a reduction in wages of \$1 a day by the 300 members of the Elizabeth local of Journeymen Plumbers. The new scale goes into effect June 4, and calls for \$8 for an eight hour day.

Bernard V. Tansey, business agent for the union, said that the reduction had been agreed to following the suggestion of the Master Plumbers' Association of Elizabeth that only a lowering of building costs would overcome the existing stagnation of building operations. It was predicted that other unions in New Jersey will take similar action.

GIVE CABLES TO U. S., KEEP YAP MANDATE

Japanese Negotiating With Washington About Submarine Lines.

By the Associated Press.

TOKIO, June 2.—The Hochi Shinbun says to-day it has reason to believe Japan has proposed to give the United States the Yap-Guam cable, with the privilege of control of the line to the Island of Yap. While Japan intends to keep the mandate, the newspaper says, she considers this to be virtual internationalization.

The Parliamentary committee of the Kensei-toei, or Opposition party, published a statement to-day saying that Viscount Uchida, the Foreign Minister, in receiving the members of the committee yesterday when asked if Japan should insist to the last on the Yap mandate and what was the Government's policy, said:

"Of course Japan will adhere to the mandate, but we are negotiating with Washington concerning the disposition of the Yap cables." He further said that the time for the evacuation of Siberia had not arrived.

"Is Japan endeavoring to have China open negotiations for the restoration of Shantung by adopting a new policy?" the Foreign Minister was asked.

"No," he replied. "No negotiations have been opened by the two Governments."


Speaking regarding China, Viscount Uchida said Japan did not claim the exclusion of Manchuria and Mongolia from the Chinese consortium, but had insisted on assurance of protection to Japan's economic and general defence interests, to which the Powers had consented.

The committee asked what Japan would do if these claims were not granted. The Foreign Minister expressed confidence that the United States and Great Britain would observe the spirit of the agreement.

Commenting on the forthcoming Dominion Conference and the Anglo-Japanese alliance, which will be discussed then, the Nichi Nichi surmises that Great Britain's suggestion that the present alliance be renewed for a year instead of negotiating a new pact, is based on the desirability of awaiting both the outcome of the imperial conference and the fixation of the attitude of the United States, whose general world policy is not yet clearly defined. Within a year it thinks the pact might be renewed in modified form and with scope localized, principally the maintenance of the open door and the integrity of China, since Russia and Germany are considered no longer powerful.

SUBWAY WORKMAN KILLED.

While at work repairing signal lights in the Interborough Railroad subway near the Hoyt street station, in Brooklyn, yesterday afternoon James Laughlin, 32, of 1852 Second Avenue, Manhattan, was killed by a Lexington Avenue train.



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A Store of Individual Shops
FIFTH AVENUE, 37th and 38th STS.

THE WORSTED JERSEY COSTUME SUIT SLEEVELESS FROCK AND TUXEDO COAT

For Mademoiselle (14 to 20 yrs.)

39.50

Its wearer is costumed for a week-end holiday—to frolic in the country, travel to and fro by train or motor, and return to town uncreased, unsoiled, and ready to promenade the Avenue.



French Blue, Beige, Gray, or Navy Blue

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Franklin Simon & Co.

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FIFTH AVENUE, 37th and 38th STS.

The New Shop for Girls Ends Spring and Begins Summer with

WHITE FROCKS

For the Girl or Junior Miss to Wear on Holiday Occasions

18.50

THE simple types of frocks particularly appropriate for holidays, always suitable for summer days, becoming to girlhood every day.



Of Crêpe de Chine, Chiffon, Crêpe Georgette or Organdie in Tucked, Scalloped or Embroidered Models

GIRLS' SIZES - - - 12 TO 16 YEARS
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An advertisement in the Lost and Found columns of THE NEW YORK HERALD offers a real possibility of recovering your lost property. Telephone Chelsea 4000.

PENNY A POUND PROFIT

Specials For Friday and Saturday

ITALIAN STYLE CREAM CHOCOLATES
Pound Box Elsewhere 60c

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The Big Three 99 cts.

Week End Combination No. 2

This combination is made up of individual packages, put up in a large container with handle attached. Contents are as follows: 1/2 lb. Box Special Assorted Chocolates, 1/2 lb. Chocolate Covered Butter Sticks, 1 Pkg. Loftytops, 1/2 lb. Box Salted Peanuts, 1 lb. Box Peanut Brittle, 1/2 lb. Box Chocolate Covered Dates. PACKAGE COMPLETE \$1.39

Milk Chocolate Covered Cara-Mellows Our regular 79c goods. POUND BOX 69c

We Also Offer:

Old Home Package Decorated Container 65c

Assorted Milk Chocolates POUND BOX 89c

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Announce to Begin To-day a Very Important

SALE of 2,000 Indestructible Pearl Necklaces

At Far Below Regular Prices

THESE creamy-tinted, lustrous pearls, glowing and iridescent, are the most beautiful adornment a woman could wear, and at these amazingly low prices are within every woman's reach. We have never offered more exquisite pearl necklaces—and do not ever again expect to be able to duplicate such values.

16-inch matinee to 30-inch opera lengths—all finished with solid gold clasps

\$5.00 Necklaces	This Sale Only \$2.95
10.00 Necklaces	This Sale Only 5.00
12.00 Necklaces	This Sale Only 6.50
15.00 Necklaces	This Sale Only 7.50
18.50 Necklaces	This Sale Only 9.50
22.50 Necklaces	This Sale Only 10.50
26.50 Necklaces	This Sale Only 12.50
32.50 Necklaces	This Sale Only 15.00
35.00 Necklaces	This Sale Only 16.50

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